

“Strong Economic Medicine” Triggers Poverty: Communities across America Feel Impact of Obama’s Sequestration Cuts

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The effects of the sequestration order signed by President Obama on March 1 began to be felt in earnest beginning April 1. The \$85 billion cut in federal spending through September 30 will affect federal workers’ jobs across a wide range of government departments and will impose deep cutbacks to education, housing and many social programs and services, which are depended on by millions of working-class families.

Over one million federal workers are set to begin unpaid furloughs this month, amounting to pay cuts of anywhere from 20 to 30 percent. Sequestration has also prompted the extension of a pay freeze already in force for federal workers. The cuts will result in the equivalent of 750,000 full-time job losses throughout the economy, according to the Congressional Budget Office. Other projections place the job losses as high as 2 million with the cuts reducing the gross domestic product by 0.6 percent this year.

Even as the US Labor Department announced last week that the number of people applying for jobless benefits had jumped to a four-month high, extended unemployment benefits are being cut by about 11 percent as a result of the sequester. As just one example, 99,000 unemployed workers in Pennsylvania will see their benefits cut by 10.7 percent, while some 2,700 in the state may lose their benefits altogether.

The devastating impact of sequestration appears to be the “new normal,” serving as the model for future budget proposals for both big-business parties. On Wednesday, Barack Obama will formally present his fiscal year 2014 budget, which includes deep cuts to Medicare and other health programs, as well as an attack on the inflation adjustment for Social Security recipients. (See “[Obama defends plan to cut Medicare and Social Security](#)”)

Sequestration calls for cuts of \$42.7 billion to discretionary defense spending, \$28.7 billion in nondefense discretionary spending, \$9.9 billion from Medicare, and \$4 billion in other mandatory reductions. It is becoming clear that the cutbacks will have a devastating impact on workers and the poorest sections of society, who have already seen a drastic decline in living standards in the wake of the recession.

Nondiscretionary funding for the military is not affected by the sequester, leaving in place the vast military machine of the US, as it continues its occupation of Afghanistan and US officials ratchet up their threats against North Korea. The departments of Defense and Homeland Security have also been allowed some discretion in the implementation of civilian furloughs and other measures.

The director of national intelligence, James Clapper, has also warned against sequester cuts that could hamper national security. "For intelligence, this is not quite like shorter hours for public parks or longer lines at the airports," he told reporters Friday. "For intelligence, it's insidious."

While accommodations are certain to be made for the military-intelligence apparatus of US imperialism, for the vast majority of ordinary Americans in communities across the country, the sequester cutbacks are not negotiable.

Public education will see one of the biggest hits. The National Education Association estimates that about \$3 billion will be cut from K-12 education, causing over 30,000 teachers and school faculty to lose their jobs. Well over a million students will feel the effects of sequestration, according to the NEA.

In California alone, the government will cut \$87.6 million from primary and secondary schools, potentially putting 10,000 teaching jobs at risk and reducing funds for teaching and staff positions in special education. Some 96,000 low-income students will lose financial aid. A staggering \$62.9 million of the cuts are to the budget for students with disabilities.

Head Start, the early childhood education program that provides free medical and dental care, meals and after-school activities, will see a five percent cut in funding for fiscal year 2013. How those cuts are to be implemented will be up to local administrators. According to the Office of Head Start, which administers the program, about 70,000 children across the country will lose access to the program.

Federal funding for Section 8 housing vouchers will be cut by \$938 million, six percent below what is needed to maintain assistance to low-income households at current levels. This translates into 140,000 fewer low-income families receiving housing vouchers. Families on waiting lists for vouchers are already being told that they will not be eligible for assistance even if other families leave the program. The *Huffington Post* reports that the Huntsville, Alabama housing authority will be serving about 300 fewer people due to the cutback.

Some 600,000 low-income women and children served by the Supplemental Nutrition Program for Women, Infants and Children (WIC) are threatened with being thrown off the program. An array of programs providing nutrition assistance to seniors and the poor are feeling the pinch. The Salt Lake Community Action Program is closing its food pantry in Murray, Utah. The Meals on Wheels program in Tarrant County, Texas, which has lost \$400,000 in cuts from state and local agencies since 2001, is facing a \$100,000 sequester cutback.

Medicare payments to hospitals, doctors and other health care providers are being reduced by two percent across the board. Small community hospitals and clinics that serve large senior populations will carry more of this burden than larger hospital systems. One private practice in Manchester, Connecticut has already informed patients it will no longer be accepting Medicare patients, the *Huffington Post* reports, a situation that will undoubtedly be repeated at practices nationwide.

Due to a cut to Medicare reimbursement for expensive chemotherapy drugs, cancer clinics across the country have already begun to turn away thousands of Medicare patients, forcing them to seek treatment at hospitals, which may not be able to accommodate them and where care is more expensive. (See "[US sequester cuts treatment for thousands of cancer](#)

[patients"\)](#)

The Federal Aviation Administration has delayed until mid-June the closing of 149 airport control towers, but still plans to go forward with the plan, leaving pilots to fend for themselves on landing and takeoff at smaller regional airports. (See "[US 'sequester' cuts shut 149 air traffic control towers](#)") In Massachusetts, five municipal airports will lose their towers and controllers as part of the \$637 million sequestration cutback.

A \$350 million cut to the federal court system could result in up to 2,000 staff being laid off or furloughed. Federal public defenders' officers, whose budgets were cut by 5.17 percent in February, have been forced to cut another 5.52 percent. *The Atlantic* reports that the District of Arizona's public defenders office has laid off 10 employees. Sequestration is also hampering the ability of public defenders to pay for translation services and psychiatric evaluations in their representation of indigent and mentally ill defendants.

The National Institutes of Health (NIH), which finances most medical research in the country, will see forced cuts of 5.1 percent, or \$1.5 billion. Federal funding for the NIH has stalled at about \$30 billion since 2010, meaning the effects of the sequester cuts amount to a cumulative funding reduction of 11.4 percent. (See "[Thousands of scientists protest US cuts to medical research](#)")

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